



Request for Response

Office of the State Treasurer and Receiver General

Address: One Ashburton Place, 12th Floor
Boston, Massachusetts 02108-1608

RFR File Name/Title: IRC 457 Deferred Compensation Plan –
General Investment Consultant Services

RFR File Number: DC IRC 457 2009-10

RFR Contact Person: David Lynch

SECTION I. SUMMARY AND PURPOSE

Timothy P. Cahill, Treasurer and Receiver General of the Commonwealth of Massachusetts (the “Treasurer”), requests responses from qualified firms, in and outside Massachusetts, interested in providing general investment consultant services, to its IRC 457 Deferred Compensation Plan, (the “Plan”). More detailed descriptions of these services are set forth under **Section V, Subsection A ("SCOPE OF SERVICES")**.

The purpose of this RFR is to allow the Office of the State Treasurer and Receiver General (“Treasury”) to select a firm(s) to provide investment consulting services for the Commonwealth’s Deferred Compensation Plan. Specific information on the Deferred Compensation Plan may be found in **Appendix A, (“DEFERRED COMPENSATION PLAN BACKGROUND INFORMATION”)**.

Firms submitting proposals must meet minimum criteria detailed in Section IV, Subsections A & B, (“MINIMUM CRITERIA/REQUIREMENTS” and “LEGAL AND OTHER REQUIREMENTS”) and submit mandatory documents as described in Section IV, Subsection C, (“MANDATORY ATTACHMENTS AND ENCLOSURES”).

SECTION II. GENERAL INFORMATION

The Treasury is exempt from 801 Code of Massachusetts Regulations (CMR) 21.00: Procurement of Commodities and Services, but has opted to follow these regulations on a voluntary basis in this RFR. Therefore, unless a conflict with any other applicable law or statute arises, the Treasury will conduct itself as a “procuring department” as that term is used in 801 CMR 21.00 which provisions are otherwise incorporated herein by reference. Additional definitions may also be identified in this RFR. All terms, conditions, requirements, and procedures included in this RFR must be met for a response to be qualified as responsive. A response that fails to meet any material term, condition, requirement or procedure of this RFR may be deemed unresponsive and disqualified. The Treasury reserves the right to waive or permit cure of non-material errors or omissions. **The Treasury reserves the right to modify, amend or cancel the terms of the RFR at any time.** Unless otherwise specified, all communications, responses, and documentation regarding this RFR must be in English, all measurements must be provided in feet, inches, and pounds and all cost proposals or figures in U.S. Currency. All responses must be submitted in accordance with the specific terms of this RFR. No electronic responses may be submitted in response to this RFR.

This RFR is in accordance with the World Trade Organization Government Procurement Agreement.

SECTION III. SPECIFICATIONS, REQUIREMENTS & COMPONENTS

A. SPECIFICATIONS

1. **Bidder Communication.** Any individuals and/or firms that intend to submit a response are prohibited from communicating directly with any employees or members of the Deferred Compensation Plan Oversight Committee, Pension Reserves Investment Management Board, Treasury or any member of the Procurement Management Team (“PMT”), other than the Procurement Officer, as is specifically noted in this RFR. An exception to this rule applies to individuals or firms that currently do business with the Treasury, but shall be limited to that business, and should not relate to this RFR. **Failure to observe this rule will result in disqualification.** Furthermore, no other individual Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFR. Bidders may contact the contact person for this RFR in the event this RFR is incomplete or the bidder is having trouble obtaining any required attachments electronically through Comm-PASS.

In addition, firms that intend to submit a Proposal should not discuss this RFR with any employee of the Commonwealth's current third-party administrator (Great-West Retirement Services), investment managers, consultants, legal counsel or other advisors. Once a proposal has been submitted, the provider agrees to the terms and conditions set forth in the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act for any emails and electronic communications that occur during any subsequent negotiation.

The Commonwealth's Procurement Officer for this RFR is: David Lynch, Director, Deferred Compensation. Questions concerning the RFR may be submitted to the RFR Procurement Officer via e-mail (**NO PHONE CALLS or FAXES**) to dlynch@tre.state.ma.us **no later than 3:00 P.M. EST on April 14, 2009.**

2. **Reasonable Accommodation.** Bidders with disabilities or hardships that seek reasonable accommodation, which may include the receipt of RFR information in an alternative format, must communicate such requests in writing to the contact person. Requests for accommodation will be addressed on a case-by-case basis. A bidder requesting accommodation may be required to confirm his or her request in writing to the contact person. The request must state that it is based on a disability and specifically identify the accommodation desired. Although entities of the Commonwealth will make all reasonable efforts to accommodate the requests of bidders with disabilities, they reserve the right to reject unreasonable requests.
3. **Public Records.** All responses and information submitted in response to this RFR are subject to the Massachusetts Public Records Law, Massachusetts General Laws (“M.G.L.”), Chapter 66, Section 10, and Chapter 4, Section 7, Subsection 26. Any statements in submitted responses that are inconsistent with these statutes will be disregarded.

Bidders are advised that all proposals are deemed sealed, and therefore their contents will be treated as confidential and will not be disclosed to competing bidders until the evaluation process has been completed and the contract has been awarded and negotiations are finalized.
4. **Estimated Provisions.** The Treasury makes **no guarantee that any commodities or services will be purchased** from any contract resulting from this RFR. Any estimates and/or past or current procurement volumes referenced in this RFR are included only for the convenience of bidders, and are not to be relied upon as any indication of future purchase levels.
5. **Conflict of Interest.** Prior to award of any contract, the vendor shall certify in writing to the procuring agency that no relationship exists between the vendor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest, and no relationship exists between the vendor and another person or organization that constitutes a conflict of interest with

respect to a state contract. The Treasury may waive this provision, in writing, if these activities of the vendor will not be adverse to the interests of the Commonwealth. No official or employee of the Commonwealth who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this project shall, prior to the completion of the project, voluntarily acquire any personal interest, either directly or indirectly, in this contract or proposed contract.

The bidder shall provide assurance that it presently has no interest and shall not acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder. The bidder shall also provide assurances that no person having any such known interests shall be employed during the performance of this contract.

6. **Brand Name or Equal.** Unless otherwise specified in this RFR, any reference to a particular trademark, trade name, patent, design, type, specification, producer or supplier is not intended to restrict this RFR to any manufacturer or proprietor or to constitute an endorsement of any service. The Treasury will consider clearly identified offers of substantially equivalent services submitted in response to such reference.
7. **Alternatives.** A response which fails to meet any material term or condition of the RFR, including submission of required attachments, may lose points or be deemed unresponsive and disqualified. Unless otherwise specified, bidders may submit responses proposing alternatives that provide equivalent, better or more cost-effective performance than achievable under the stated RFR specifications. These alternatives may include related services that may be available to enhance performance during the period of the contract. The response should describe how any alternative achieves substantially equivalent or better performance to that of the RFR specifications.

The Treasury will determine if a proposed alternative method of performance achieves substantially equivalent or better performance. The goal of this RFR is to provide the best value of commodities and services to achieve the procurement goals of the department. Bidders that propose discounts, uncharged commodities and services or other benefits in addition to the RFR specifications may receive a preference or additional points under this RFR as specified.

Contractors may also propose alternatives for equivalent, better or more cost-effective performance than specified under the Contractor's original response to enable the department to take advantage of enhanced technologies, commodities or services that become available during the term of the contract.

8. **Best Value Selection and Negotiation.** The PMT and/or the Treasurer may select the response(s) that demonstrates the "Best Value" overall, including proposed alternatives that will achieve the procurement goals of the Treasury. The PMT and/or the Treasurer and the selected bidder, or contractor, may negotiate a change in any element of contract performance or cost identified in the original RFR or the selected bidder's or contractor's response which results in lower costs or in a more cost effective or better value than was presented in the selected bidder's or contractor's original response.
9. **Costs.** Costs that are not specifically identified in the bidder's response, and accepted by a department as part of a Contract, will not be compensated under any Contract awarded pursuant to this RFR. The Commonwealth will not be responsible for any costs or expenses incurred by bidders responding to this RFR.
10. **Minimum Bid Duration.** Bidders responses/bids made in response to this RFR must remain in effect for 120 days from the date of bid submission.
11. **Comm-PASS.** If this RFR has been distributed electronically using the Comm-PASS system, RFR attachments that are referenced are incorporated by reference into the RFR and are available as separate files within the Forms tab and Specifications tab of the Comm-PASS Solicitation record. Operational Services Division (OSD) Forms are also available at www.mass.gov/osd under the Related Links section. All bidders are solely responsible for obtaining and completing the required

attachments that are identified in this RFR and for checking Comm-PASS for any addenda or modifications that are subsequently made to this RFR or attachments. The Commonwealth and its subdivisions accept no liability for and will provide no accommodation to bidders who fail to check for amended RFRs or any other procurement opportunities and subsequently submit inadequate or incorrect responses. Bidders are advised to check the Last Changed Date field on the Summary page or the Amendment History within the Other Information tab of RFRs for which they intend to submit a response in order to ensure that they have the most recent RFR files. Bidders may not alter (manually or electronically) the RFR language or any RFR component files. Modifications to the body of the RFR, its specifications, or terms and conditions, which change the intent of this RFR are prohibited and may disqualify a response.

12. **Comm-PASS SmartBid Subscription.** Bidders may elect to obtain an optional SmartBid subscription, which provides value-added features, including automated email notification associated with postings and modifications to Comm-PASS records. When properly configured and managed, SmartBid provides a subscriber with:

- A secure desktop within Comm-PASS for efficient record management
- A customizable profile reflecting the subscriber's product/service areas of interest
- A customizable listing in the publicly accessible Business Directory, an online "yellow-pages" advertisement
- Full-cycle, automated email alert whenever any record of interest is posted or updated
- Access to Online Response Submission, when allowed by the Issuer, to support: paperless bid drafting and submission to an encrypted lock-box prior to close date, electronic signature of OSD forms and terms; agreement to defer wet-ink signature until Contract award, if any, withdrawal of submitted bids prior to close date, online storage of submitted bids

Every public purchasing entity within the borders of Massachusetts may post records on Comm-PASS at no charge. Comm-PASS has the potential to become the sole site for all public entities in Massachusetts. SmartBid fees are only based on and expended for costs to operate, maintain and develop the Comm-PASS system.

All responses must be presented using the same numbering and ordering sequence used in this RFR or as otherwise specified.

Any bidder awarded a contract under this RFR is prohibited from selling or distributing any information collected or derived from the contract and/or procurement process, including lists of participating or eligible Treasury employee names, telephone numbers, or addresses.

13. **Electronic Communication/Update of Bidder's/Contractor's Contact Information.** It is the responsibility of the prospective bidder and awarded contractor to keep current the e-mail address of the bidder's contact person and prospective contract manager, if awarded a contract, and to monitor that e-mail inbox for communications from the PMT, including requests for clarification. The PMT and the Commonwealth assume no responsibility if a prospective bidder's/awarded contractor's designated e-mail address is not current, or if technical problems, including those with the prospective bidder's/awarded contractor's computer, network or Internet service provider (ISP) cause e-mail communications sent to/from the prospective bidder/awarded contractor and the PMT to be lost or rejected by any means, including e-mail or spam filtering.

14. **Environmental Response Submission Compliance.** In an effort to promote greater use of recycled and environmentally preferable products and minimize waste, all responses submitted should comply with the following guidelines:

- All copies should be printed double sided.
- All submittals and copies should be printed on recycled paper with a minimum post-consumer content of 30% or on tree-free paper (i.e., paper made from raw materials

other than trees, such as kenaf). To document the use of such paper, a photocopy of the ream cover/wrapper should be included with the response.

- Unless absolutely necessary, all responses and copies should minimize or eliminate use of nonrecyclable or nonreusable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three ringed binders, glued materials, paper clips, and staples are acceptable.
- Bidders should submit materials in a format that allows for easy removal and recycling of paper materials.
- Bidders are encouraged to use other products that contain recycled content in their response documents. Such products may include, but are not limited to, folders, binders, paper clips, diskettes, envelopes, boxes, etc. Where appropriate, bidders should note which products in their responses are made with recycled materials.
- Unnecessary samples, attachments, or documents not specifically asked for should not be submitted

- 15. Electronic Funds Transfer (EFT).** All Bidders responding to this RFR must agree to participate in the Commonwealth Electronic Funds Transfer (EFT) program for receiving payments, unless the Bidder can provide compelling proof that it would be unduly burdensome. EFT is a benefit to both contractors and the Commonwealth because it ensures fast, safe and reliable payment directly to contractors and saves both parties the cost of processing checks. Contractors are able to track and verify payments made electronically through the Comptroller's Vendor Web system. A link to the EFT application can be found on the OSD Forms page (www.mass.gov/osd). Additional information about EFT is available on the VendorWeb site (www.mass.gov/osc). Click on MASSfinance.

Successful Bidders, upon notification of contract award, will be required to enroll in EFT as a contract requirement by completing and submitting the *Authorization for Electronic Funds Payment Form* to this department for review, approval and forwarding to the Office of the Comptroller. If the Bidder is already enrolled in the program, it may so indicate in its response. Because the *Authorization for Electronic Funds Payment Form* contains banking information, this form, and all information contained on this form, shall not be considered a public record and shall not be subject to public disclosure through a public records request.

The requirement to use EFT may be waived by the PMT on a case-by-case basis if participation in the program would be unduly burdensome on the Bidder. If a Bidder is claiming that this requirement is a hardship or unduly burdensome, the specific reason must be documented in its response. The PMT will consider such requests on a case-by-case basis and communicate the findings with the Bidder.

- 16. Restriction on the Use of the Commonwealth Seal.** Bidders and contractors are not allowed to display the Commonwealth of Massachusetts Seal in their bid package or in any subsequent marketing materials if they are awarded a contract. Use of the coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes is prohibited by law.

THE PROCUREMENT MANAGEMENT TEAM RESERVES THE RIGHT TO MODIFY, AMEND OR CANCEL THE TERMS OF THIS RFR AT ANY TIME.

B. PROCUREMENT CALENDAR AND RESPONSE REQUIREMENTS

- 1. Procurement Calendar.** The following is the time schedule for the Treasury's search for a vendor/firm to provide general investment consultant services to its IRC 457 Deferred Compensation Plan. All dates are subject to modification by the Treasury.

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| • Issuance of RFR: | March 10, 2009 |
| • RFR Question Deadline: | March 31, 2009 |
| • Responses to Questions: | April 7, 2009 |
| • RFR Submission Deadline: | April 14, 2009 |

** Responses to questions will be posted on <http://www.mass.gov/treasury> & <http://www.com-pass.com>.

2. **Instructions for Submission of Responses.** The original (unbound), plus five (5) hard paper copies, and one (1) compact disk of the bidder's response and attachments must be delivered to the Treasury at the address listed below in the same sealed package no later than **3:00 p.m. EST on April 14, 2009. The cost proposal must be submitted under separate cover in a separate sealed envelope. Failure to meet this requirement will result in disqualification of the bid.** Responses and attachments (hard copies) received after this deadline date and time will not be evaluated. A facsimile response will not qualify as a "submission" for deadline purposes in advance of or in lieu of a hard copy submission.

Responses and attachments should be delivered to:

David Lynch, Director
Deferred Compensation Plan
Office of the State Treasurer
One Ashburton Place, 12th Floor
Boston, Massachusetts 02108-1608

Copies of this RFR may be obtained electronically at the Treasury website at <http://www.mass.gov/treasury> & <http://www.com-pass.com>.

When responding to this RFR, firms should take note of the following provisions:

- The Treasury reserves the right to request additional information from Bidders responding to this request. Additionally, upon reviewing the responses the Treasury may decide to have certain firms make oral presentations.
- The Treasury reserves the right to reject any and all responses to this request, to waive any minor informality in a response, to request clarification of information from any Bidder responding, and to effect any agreement deemed by the Treasury to be in the Commonwealth's best interest with one or more of the Bidders responding. The Treasury reserves the right to amend or cancel this RFR at any time.
- All responses and their contents will become the sole property of the Commonwealth upon receipt by it and will not be returned to the bidder.
- The Treasury will not reimburse any Bidder for any costs associated with the preparation or submittal of any response to this request or for any travel and/or per diem incurred in any presentation of such responses.
- The narrative response should address all items included in each section of the Technical Proposal.
- The written response (content) shall be limited to replies totaling **no more than 25 pages, front and back.** Any response over this limit, excluding the requested attachments and exhibits will not be considered. Please see Response mandatory attachment.

3. Disqualification of Proposals.

- a. Late Proposals: Proposals that are received after the deadline date and time shall be automatically disqualified.
- b. Nonresponsive Proposals: Proposals which are not responsive or which fail to comply with mandatory requirements of the RFR shall be deemed nonresponsive and shall be disqualified. Nonresponsive proposals shall include, but not be limited to those, which fail to address or meet any mandatory item, and those submitted in insufficient number, or in incorrect format.
- c. Collusion: Collusion by two or more bidders agreeing to act in a manner intended to avoid or frustrate fair and open competition is prohibited and shall be grounds for rejection or disqualification of a proposal or termination of this contract.
- d. Debarred Bidders or Subcontractors: A bidder who is currently subject to any Commonwealth or federal debarment order or determination, shall not be considered for evaluation by the Procurement Team. If a bidder's proposal is dependent upon the services of a named subcontractor and the disqualification of this named subcontractor would materially alter the proposal, then that proposal shall be deemed unresponsive if the named subcontractor is found to be debarred. Proposals that indicate that subcontractors will be used but do not rely on any specifically named subcontractor shall not be deemed unresponsive if the disqualification of a proposed subcontractor will not materially alter the proposal.

4. Evaluation Process. The RFR Evaluation Process will be conducted in three phases. A review team consisting of staff from the Treasury, specifically, the Deferred Compensation department will complete the Phase One Review for all proposal submissions. The purpose of the Phase One Review is to eliminate any bids that are nonresponsive to the requirements of the RFR. Bids that are deemed to be qualified based on the Phase One Review will be submitted to the PMT for additional review and for the Phase Two Review. The PMT will make a recommendation to the Treasurer who will then accept or reject the recommendation. The Treasurer will make the final selection decision. **(Phase I, Phase II, and Phase III of this RFR will be evaluated separately).**

- a. **Phase I Review**: Bidders' responses will be reviewed based on listed criteria, completeness of response, including mandatory attachments and compliance to submission criteria (**refer to Section IV, Phase One Requirements**). Bids that do not comply with these components will be rejected and will not proceed to Phase Two Review. Deferred Compensation Plan Staff will conduct this portion of the review. **Please complete Attachment D ("Mandatory Attachment Checklist")** to insure completion of required documents and attach it to the cover letter.
- b. **Phase Two Review**: Qualified bids, based on the Phase One Review, will be considered for additional review in Phase Two in the following areas:
 - 30% – Firm Overview
 - 30% – Experience & Knowledge
 - 30% – Research Capabilities
 - 5% – References & Freedom from Conflicts
 - 5% – Affirmative Market Program. Although the Office of the State Treasurer and Receiver General is exempt from Executive Order 390, we are committed to developing and strengthening Minority, Women Owned, and/or Disadvantaged Business Enterprises (M/WBEs and DBEs)** and expanding equal opportunity in the primary industries affected by this RFR. The Commonwealth of Massachusetts is always encouraging businesses to partner with M/WBEs to support business relationships that will result in

the development and growth of M/WBEs within these primary industries. Bidders are strongly encouraged to develop creative initiatives to help foster new business relationships with M/WBEs and DBEs. As a result, bids which clearly demonstrate how the proposal will further these goals will receive favorable consideration.

****M/WBEs and DBEs** are defined as businesses that have been certified as such by the State Office of Minority and Women Business Assistance (SOMWBA). Firms seeking certification may contact SOMWBA at (617) 727-8692 or visit their website at www.magnet.state.ma.us/somwba.

Bidders should be aware that if they commit to participating in the Affirmative Market Program, their performance must be reported and will be subject to audit. Reports must be submitted to the Office of the State Treasurer and Receiver General on a timely basis. If the dollar amount reported is less than the commitment, a narrative must be provided demonstrating the contractor's diligence in attempting to meet the committed percentage.

In order to satisfy this section, the bidder must submit: the names, address, phone numbers and contact persons of each M/WBE firm; a description of each business relationship to be established; and the actual dollar amounts, or percentages, to be awarded to each M/WBE firm. Minority-Owned Business Enterprises (MBEs) and Woman-Owned Business Enterprises (WBEs) must submit a copy of their State Office of Minority and Women's Business Assistance (SOMWBA) certification letter for the current period. A directory of SOMWBA certified firms is available via the internet at <http://www.mass.gov/somwba>.

Additionally, the following components should be included as part of any Affirmative Market Program Plan submission:

1. **Subcontracting**: Bidders should submit projected benchmarks or commitment to future expenditure during the life of the contract with M/WBEs through subcontracting. This should include expenditure commitments, copies of subcontracting agreements, and Memos of Understanding or otherwise binding commitments between the bidder and certified M/WBE firms.
 2. **Growth and Development**: Bidders should submit projected benchmarks or commitments to future expenditure during the life of the contract with M/WBEs through Growth and Development. This should include commitments for expenses for education, training, mentoring, resource sharing, joint activities, and assistance in attaining SOMWBA certification that would increase industry capacity and the pool of qualified SOMWBA certified companies. Other creative options are encouraged in this area and should be submitted.
 3. **Ancillary Uses of Certified M/WBE Firm**: Bidders should submit projected benchmarks or commitment to future expenditure during the life of the contract with M/WBEs through Ancillary Uses of M/WBE firm(s). Responses should include expenditure commitments from the bidders for the use of certified M/WBE firm(s) with or without the use of written commitments between the bidder and M/WBE firm(s). A description of the ancillary uses of certified M/WBEs, if any, must be in the AMP Plan Form.
 4. **Past Performance**: Bidders should include information on past expenditures with certified M/WBEs for the previous two years.
- c. **Phase Three Review**: Cost will be evaluated in relationship to the Phase Two Review and scoring of bidder's responses. The Phase Two score will represent 70% and cost will represent 30% of the Phase Three score in order to determine "best value." The successful bid will be determined based on the one that represents the "best value" overall and achieves the procurement goals.

- 30% – Cost Proposal.
 - 70% – Phase Two Criteria. The total Phase Two score will represent 70% of the Phase Three score.
5. **COST RESPONSE.** The Cost Proposal must be submitted under separate cover from the Technical Proposal in a separate sealed envelope. Failure to meet this requirement will result in disqualification of the bid. ***See Attachment A for Fee Proposal matrix.***
6. **ORAL INTERVIEWS.** After completion of Phase One and Phase Two but prior to Phase Three, the PMT shall have the option to invite the bidders to make oral presentations. Oral presentations provide the PMT with an opportunity to evaluate the bidder through the presentation of their proposal. The PMT may limit the number of oral presentations conducted. Bidders will not be informed of their rank at the time of the oral presentation.
- The time allotments and the format shall be the same for all oral presentations. The PMT will give the bidder at least two (2) business days' prior notice regarding the date of an oral presentation. The PMT may waive the location and medium requirements of an oral presentation upon the written request of a bidder due to special hardships, such as a bidder with disabilities or limited resources. In these circumstances the PMT may conduct oral presentations through an alternative written or electronic medium (*e.g.*, telephone, videoconference, TTY or Internet). The PMT may require the bidders assign key personnel to conduct the oral presentation.
- A bidder is limited to the presentation of material contained in its proposal, with the limited exception that a bidder may address specific questions posed by the PMT or provide clarification of information contained in its proposal. Any correction or modification of the proposal or the presentation of supplemental information shall be considered prejudicial to the interests of other bidders and fair competition and shall not be permitted. A bidder's attempt to submit such corrections, modifications or supplemental information during an oral presentation may subject the bidder's proposal to disqualification. A bidder's failure to agree to an oral presentation may result in disqualification from further consideration. Oral presentations may be recorded by the Office of the State Treasurer and Receiver General as a matter of public record.
7. **Selection of Provider(s).** The contract will be awarded by the Treasurer and Receiver General of the Commonwealth of Massachusetts, who may accept the recommendations of the PMT or select other firm(s) to provide services to the Commonwealth.

C. COMPONENTS OF PROCUREMENT

1. **Duration and Renewal Options.** The Treasurer intends to enter into a three (3) year contract with the selected bidder(s) for the services solicited in this RFR. The Treasurer may, at his option, extend the contract for additional period(s) for a maximum contract term not exceeding ten (10) years, under the same or better terms and conditions as negotiated if deemed in the best interest of the Commonwealth. Bidders who offer price guarantees for the life of the contract will be held to that offer or such better terms as are negotiated.
2. **Acquisition Method.**
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|---|--|
| <input type="checkbox"/> Outright Purchase | <input type="checkbox"/> Lease Purchase |
| <input type="checkbox"/> License | <input type="checkbox"/> Rental (not to exceed 6 months) |
| <input checked="" type="checkbox"/> Fee for Service | <input type="checkbox"/> Term Lease |
| <input type="checkbox"/> Tax-exempt Lease Purchase | <input type="checkbox"/> Other (specify) |
3. **Single or Multiple Contracts.** The State Treasurer and Receiver General reserves the right to award contracts to a single vendor or multiple vendors, in the best interest of the Treasury.

The contractor must agree to cooperate with such other contractors, and must not commit or permit any act that may interfere with the performance of work by any other contractor.

4. **Contract Guidelines.** (Those that apply are checked.)

- ✓ Only The Treasury may contract under RFR
- ☐ Option to allow other Departments/political subdivisions to contract under RFR
- ☐ Statewide Contract
- ☐ Multi-Treasury User Contract
- ☐ Pre-Qualification List

5. **Anticipated Expenditures, Funding or Compensation for Expected Duration.** Subject to selected bidder's quotes and rates, subject to negotiation.

6. **Contract Performance and Business Specifications.**

- a. **Evaluation and Selection of Contractor.** Treasury shall have sole authority to evaluate and make the final selection of bidder(s) for contract negotiation(s) pursuant to this RFR. The selection will be made after evaluation of both business and cost proposals by the Procurement Management Team and final approval by the State Treasurer and Receiver General.
- b. **Change in Terms.** The Treasury reserves the right to modify the specifications identified in the RFR at any time prior to the closing date. The Treasury reserves the right to negotiate the selected bidder(s) as to any element of cost or performance, including without limitation, elements identified in the RFR and/or the selected bidder's response in order to achieve the best value for the Commonwealth.
- c. **Termination or Suspension.** Contractor's services may be terminated or suspended from the Treasury's contract for poor performance, failure to perform, fraud or other cause with two (2) weeks prior written notice by the Treasury. Contractors may be terminated from the contract without cause upon thirty (30) days prior written notice. The contractor may not terminate the contract or performance thereunder except upon a minimum of 180 days written notice to the Treasury. Other terms regarding contract termination are subject to negotiation between the selected bidder(s) and the Treasury.
- d. **Permits and Compliance.** The contractor shall procure and pay for all permits, licenses and approvals necessary to perform the services solicited in this RFR. The contractor shall comply with all applicable laws, ordinances, rules, orders and regulations related to the performance of the services solicited, and provide copies as requested by the Treasury.
- e. **Rejection of Proposals.** The Treasury reserves the right to reject any and all proposals submitted under this solicitation.
- f. **Fees Subject to Treasury Signatory Authorization.** All fees must be approved by the State Treasurer and Receiver General or his designee and are subject to verification of performance.
- g. **Subcontracting Policies.** Prior approval of the department is required for any subcontracted service of the contract. Contractors are responsible for the satisfactory performance and adequate oversight of its subcontractors. Subcontractors are required to meet the same state and federal financial and program reporting requirements and are held to the same reimbursable cost standards as contractors.

- h. **Confidentiality Policy Regarding Bidder's Support Staff and/or Vendors.** The Treasury may require bidder's support staff or outside vendors to sign a confidentiality agreement for the confidential information they will have or have access to.
- i. **Contract Expansion.** If additional funds become available during the contract duration period, the department reserves the right to increase the maximum obligation to some or all contracts executed as a result of this RFR or to execute contracts with contractors not funded in the initial selection process, subject to available funding, satisfactory contract performance and service or commodity need.
- j. **Concurrent Contracts Running (Renewals and Transitions).** The Treasurer and Receiver General shall cancel the contract if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal year succeeding the first year or if satisfactory performance by the contractor does not ensue. The Treasurer and Receiver General will also have the right to sole discretion in exercising an option to renew, which will not be subject to contractor acceptance or agreement. Any assistance required for this transition must be provided in a smooth and timely manner. If at any time the contract is canceled terminated or expires, and a contract is subsequently executed with a firm other than the contractor, the contractor has the affirmative obligation to assist in the smooth transition of contract services to the subsequent contractor.
- k. **Submission of Proposal Materials and Oral Presentation.** All materials, representations and submissions made within the proposal and at the oral presentation are subject to becoming part of the contract binding the selected bidder to uphold the materials, representations and submissions made by the selected bidder within the proposal and at the oral presentations.
- l. **Fiduciary Status of The Consultant; Chapter 268A.** With respect to the performance of its duties and responsibilities hereunder, the Consultant/contractor/firm acknowledges that it is a fiduciary, and that the Consultant will discharge its duties and responsibilities under this Agreement in accordance with the fiduciary standards of conduct and other requirements as they apply to the Consultant. The Consultant is advised of the existence of Massachusetts General Laws, Chapter 268A (the Massachusetts "Conflict of Interest" statute), and is required to act and perform its duties in accordance with such provisions.
- m. **Pricing: Price Limitation.** The bidder must agree that no other state or public entity customer within the United States of similar size and with similar terms and conditions shall receive a lower price for the same commodity and service during the contract period, unless this same lower price is immediately effective for the Commonwealth. If the Commonwealth believes that it is not receiving this lower price as required by this language, the bidder must agree to provide current or historical pricing offered or negotiated with other state or public entities at any time during the contract period in the absence of proprietary information being part of such contracts.
- n. **Pricing: Federal Government Services Administration (GSA) or Veteran's Administration Supply.** The Commonwealth reserves the right to request from the successful bidder(s) initial pricing schedules and periodic updates available under their GSA or other federal pricing contracts. In the absence of proprietary information being part of such contracts, compliance for submission of requested pricing information is expected within 30 days of any request. If the contractor receives a GSA or Veteran's Administration Supply contract at any time during this contract period, it must notify the Commonwealth contract manager.
- o. **HIPAA: Business Associate Contractual Obligations.** Bidders are notified that any department meeting the definition of a Covered Entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will include in the RFR and resulting contract

sufficient language establishing the successful bidder's contractual obligations, if any, that the department will require in order for the department to comply with HIPAA and the privacy and security regulations promulgated thereunder (45 CFR Parts 160, 162, and 164) (the Privacy and Security Rules). For example, if the department determines that the successful bidder is a business associate performing functions or activities involving protected health information, as such terms are used in the Privacy and Security Rules, then the department will include in the RFR and resulting contract a sufficient description of business associate's contractual obligations regarding the privacy and security of the protected health information, as listed in 45 CFR 164.314 and 164.504 (e), including, but not limited to, the bidder's obligation to: implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the protected health information (in whatever form it is maintained or used, including verbal communications); provide individuals access to their records; and strictly limit use and disclosure of the protected health information for only those purposes approved by the department. Further, the department reserves the right to add any requirement during the course of the contract that it determines it must include in the contract in order for the department to comply with the Privacy and Security Rules. Please see other sections of the RFR for any further HIPAA details, if applicable.

SECTION IV. PHASE ONE REQUIREMENTS

Compliance with all criteria listed below is mandatory in order for a bid to be accepted for further review. Lack of compliance with the minimum criteria will automatically disqualify the bidder.

Phase One of bidder's response should demonstrate compliance with each of the conditions qualifying an institution to propose as outlined below. The bidder's response to each component should be "yes" or "no" for each mandatory requirement.

A. MINIMUM CRITERIA/REQUIREMENTS

Minimum Qualifications

- (1) As of December 31, 2008, the firm must service clients with investment consulting services whose assets aggregate to at least \$50 billion.
- (2) As of December 31, 2008, the primary consultant assigned to the Plan account (the "Primary Consultant") must have at least five (5) years combined experience in (i) serving as Primary Consultant to public and/or private pension plans; and/or (ii) serving as chief executive officer, executive director or chief investment officer of a public or private pension fund with assets of at least \$1 billion.
- (3) Since 2004, the firm or its proposed consultants must have served as consultant in the preparation or revision of general investment policy guidelines for at least one private or public defined contribution client with assets of at least \$1 billion.
- (4) The firm or its proposed consultants must maintain or have access to a database of domestic and international investment managers.

Please see Appendix A for Background and General Information about the Deferred Compensation Plan.

B. LEGAL AND OTHER REQUIREMENTS

1. **Contract Terms Agreement.** Respondent warrants that it will agree to the provisions of the Contract.
2. **Certification of Tax Compliance.** Certification on the Bidder's letterhead that the Bidder meets the tax requirements of the Commonwealth. A Bidder must certify that it has made all required filings and has no outstanding tax obligations to the Department of Revenue (DOR). NOTE: This certification is required because G.L. c. 62C, §49A prohibits the Office of the State Treasurer and Receiver General from entering into a contract with a Vendor, which is not in state tax compliance. A Bidder, which is not currently subject to Massachusetts tax laws, may so state in response to this requirement. A Bidder, which is currently subject to Massachusetts tax laws, but has not fully complied with all its obligations, shall indicate in the certification what the state tax issues are, and the Bidder and DOR can try to resolve them. An indication by a Bidder that it has not fully complied with its state tax obligations will not disqualify the Bidder or affect the scoring of the Bidder's response, but the Office of the State Treasurer and Receiver General may not award a contract to such a Bidder until all state tax issues have been resolved. Submission of a tax good standing certificate will not satisfy this requirement. The successful Bidder may be required to re-certify as to its tax status periodically during the Contract Term.
3. **Solvency.** Certification that the bidder has not been in bankruptcy and/or receivership within the last three (3) calendar years.
4. **Corporate Good Standing.** If incorporated, identification of the bidder's state of incorporation and a statement that it is in good standing in that state, and, if the state of incorporation is not Massachusetts, a statement that the bidder has complied with all filing requirements of the Massachusetts Secretary of State.
5. **Licenses and Registrations.** A statement that the bidder meets all applicable state and federal requirements, and has all the licenses and registrations necessary to perform the contract.
6. **Pending Litigation.** Details of any pertinent judgment, criminal conviction, investigation or litigation pending against the bidder or any of its officers, directors, employees, agents, or subcontractors of which the bidder has knowledge or a statement that there are none. The Treasury reserves the right to reject a response based on this information.
7. **Compliance with RFR Requirements.** A statement that the bidder agrees to meet every specification, requirement, or condition set forth in the RFR. (This statement will not be deemed to encompass any requirement, specification, or condition for which the RFR indicates that a preference may or will be given by the Treasury. Only a bidder seeking the preference must meet any such requirement, specification, or condition.)
8. **Fidelity Bond or Certificate of Liability Insurance.** A copy or proof of any fidelity bond or liability insurance policy extending to any or all employees who perform work under the contract are covered.
9. **Cease and Desist.** If selected for any services solicited through this RFR, the financial institution must agree to immediately notify the Treasury of any cease and desist order issued.
10. **Confidentiality.** The bidder must submit a statement acknowledging that all materials and information provided to the Contractor by the Treasury or acquired by the Contractor on behalf of the Treasury shall be regarded as confidential information in accordance with Federal and State law, and ethical standards. The contractor must take all necessary steps to safeguard the confidentiality of such materials or information. Each party will sign a mutually agreed upon confidentiality statement.
11. **Indemnification.** The bidder must submit a statement acknowledging that they accept the provisions of *Section 11. Indemnification* of the Commonwealth Terms and Conditions.

Specifically by accepting the provisions that the term “other damages” shall include, but shall not be limited to, the reasonable costs the Commonwealth incurs to repair, return, replace or seek cover (purchase of comparable substitute commodities and services) under a contract. “Other damages” shall not include damages to the Commonwealth as a result of third party claims, provided, however, that the foregoing in no way limits the Commonwealth’s right of recovery for personal injury or property damages or patent and copyright infringement under Section 11 nor the Commonwealth’s ability to join the contractor as a third party defendant. Further, the term “other damages” shall not include, and in no event shall the Contractor be liable for, damages for the Commonwealth’s use of contractor provided products or services, loss of Commonwealth records, or data (or other intangible property), loss of use of equipment, lost revenue, lost savings or lost profits of the Commonwealth. In no event shall “other damages” exceed the greater of \$100,000, or two times the value of the product or service (as defined in the contract scope of work) that is the subject of the claim. Nothing in this section shall limit the Commonwealth’s ability to negotiate liability higher limitations of liability in a particular contract, provided that any such limitation must specifically reference Section 11 of the Commonwealth Terms and Conditions.

C. MANDATORY ATTACHMENTS AND ENCLOSURES

Phase One of the bidder’s response shall include the completed mandatory attachments listed below. Any attachments referenced in this RFR as a document required to be filed can be found in Comm-PASS with this RFR. Many of the required documents referenced in this RFR are also available at the OSD website, www.mass.gov/osd, in the [OSD Forms](#) section under “Key Resources.”

These documents may be downloaded and printed for you to complete and submit. **The EFT Form is the only exception.** If you do not understand these instructions or you require additional assistance, please contact the OSD/Comm-PASS help desk at 1-888-627-8283. Note: The mandatory attachments indicated below are in addition to the inclusion of the RFR questions and answers and must be attached to the bidder’s response.

Please complete Attachment D (“Mandatory Attachment Checklist”) to ensure completion of each mandatory item and attach it to the cover letter. The bidder’s response must include all completed mandatory attachments/items listed below:

1. **Cover Letter** (signed). The Proposal must include an original and five (5) hard paper copies of the cover letter, which will be considered an integral part of the Proposal. The cover letter must be signed by at least one individual who is authorized to bind the firm contractually and must include:
 - The firm name
 - The firm address
 - The firm telephone/fax number/email address
 - The client contact
 - The title or position which the signer of the cover letter holds in the firm
 - A statement to the effect that the Proposal is a firm and irrevocable offer of the firm
2. **Executive Summary**. Please submit an executive summary consisting of not more than three pages (one sided) that summarize the contents of the Response with the firm’s name located on the top of the page. The Executive Summary shall be attached to the cover letter.
3. **Questionnaire**. Section VI.
4. **Fee Proposal** (signed). The original and two (2) copies of the fee proposal, contained in **Attachment A** (the “Fee Proposals”), must be placed in a separate, sealed envelope, clearly identified on the outside as “Fee Proposal submitted by (COMPANY NAME).”

5. **Representations and Warranties** (signed). The Representations and Warranties contained in Attachment B must be signed by an authorized officer of the firm.
6. **Disclosure Statement** (signed). Attached to this RFR, as Attachment C, is a Disclosure Statement that each firm submitting a Proposal must complete and submit.
7. **Commonwealth Terms and Conditions** (signed). The Commonwealth Terms and Conditions shall be incorporated by reference into any contract for services executed pursuant to this RFR. A bidder is required to execute the Commonwealth Terms and Conditions only once. Complete all blanks and required information fully and accurately without modification.
8. **Standard Contract Form and Instructions** (signed). This form must be executed in order to be awarded a contract. This form must be completed and returned as part of the bidder's RFR response or upon selection of a bidder for further negotiations. This document shall not become a final contract unless and until the Office of the State Treasurer and Receiver General accepts the bidder's response and the Standard Contract Form is executed by the Treasury.
9. **Request for Taxpayer Identification Number and Certification (W-9)** (signed). The W-9 Form must be completed and signed.
10. **Contractor Authorized Signature Verification Form** (signed). If the bidder is a corporation, partnership or other business entity, complete the form as indicated.
11. **Business Reference Form**. Bidders must (in addition to questionnaire responses) identify three (3) customer references for which the bidder has performed similar services as those described in this RFR or customers that can confirm the quality of the bidder's performance on previous contract work.
12. **Tax Compliance Certification** (certificate / proof of application). The bidder must demonstrate that it is in compliance with all Federal and Commonwealth tax laws (regardless of corporate locations) including M.G.L. Chapter 62C, Section 49A. The bidder must submit an original or photocopy of a Certificate of Tax Compliance in Good Standing, which has been issued by the Department of Revenue (DOR) within the past year. This Certificate may be obtained by submitting a request to:

Taxpayer Services Division, Certificate Unit
Department of Revenue
PO Box 7066
Boston, Massachusetts 02204
(617) 887-6550

The application must list the tax types for which the business is liable, including such items as meals, room occupancy, sales, use, withholding, corporate income and others as applicable. The issuance of the certificate normally takes several weeks, and as such, bidders should indicate that their request for a certificate is sought in connection with a Commonwealth solicitation (with a deadline). If the bidder does not submit the requested tax certificate with the proposal, the bidder must submit documentation verifying that the appropriate application has been filed and the Certificate must be issued and provided prior to the final execution of the Standard Contract Form.

13. **Affirmative Market Program (AMP) Plan form** (signed). Please see **Section III. B. 4. b.** for a description of the Affirmative Market Program. Bidders do not need to be SOMWBA-certified to participate. Note that copies of the SOMWBA certifications for companies listed on the Affirmative Market Plan Participation Form must be included with your proposal, immediately following the Affirmative Market Plan Form on Bidder's RFR Response. This document must be executed and returned regardless of information provided.

14. **EFT Form.** Form found on <https://massfinance.state.ma.us/VendorWeb/eftRegisterfrm.asp>. Each bidder must print out, complete and return this form with its response.

SECTION V. PHASE TWO REQUIREMENTS/SCOPE OF SERVICES

- A. SCOPE OF SERVICES.** The purpose of this Request for Response is to select one or more firms to provide investment consultant services to the Commonwealth's IRC 457 Deferred Compensation Plan. These are a non-exclusive list of the services you will be expected to perform should your firm be selected to provide services under this RFR.
1. **General Investment Policy and Procedures.** At the outset of the engagement and annually thereafter, to review the Plan's Investment Policies and Procedures and, if necessary, make reasoned recommendations for amendments thereto.
 2. **Assessment of the Plan Administrator.** At least annually, prepare and present to the Plan a report evaluating the Plan's recordkeeping, administration, trust, and education services (including an evaluation of the current third party administrator).
 3. **Assessment of the Plan's Investment Options.** At least annually, prepare and present to the Commonwealth a report evaluating the current Plan structure and investment options.
 4. **Performance Analysis.** Provide quarterly performance analysis of each of the Plan's investment options, including attribution characteristics, style analysis, risk analysis, peer universe comparison, holdings analysis relative to benchmarks, trading efficiency, and compliance violation reports.
 5. **Manager Oversight.** Provide analysis and advice on questions or issues that arise in the course of overseeing the Plan's investment options.
 6. **Manager Search Selection and Termination.** Provide analysis, advice and assistance on the search, selection, and when necessary termination of investment managers, including:
 - a. Provide access to a database of investment managers, including their philosophies, organizations, performance and clients.
 - b. Assist the Commonwealth in evaluating and conducting searches, including but not limited to (i) development of Request for Responses; (ii) screening of investment managers; (iii) preparation of background material; (iv) participating in the interview process; (v) providing reasoned analysis of the selection for the Commonwealth; (vi) provide a written recommendations concerning the selection of managers and present to the Plan's Oversight Committee.
 7. **Due Diligence.** Accompany Plan staff on due diligence trips to review investment managers.
 8. **Other Vendor Search and Selection.** As necessary, provide a service similar to those outlined in 4, 5 and 6 above with respect to the Plan's other vendors, e.g. third party administrator.
 9. **Attendance at Oversight Committee Meetings.** Attend meetings of the Plan's Oversight Committee in Boston, Massachusetts and present market and manager performance data. Meetings are generally held quarterly.
 10. **General Research and Analysis.** Upon request of the staff, provide ongoing research, analysis, and advice on specific Plan investment issues.

B. QUESTIONNAIRE – GENERAL INFORMATION (*See Section VI on the following page*)

SECTION VI. Questionnaire

COMMONWEALTH OF MASSACHUSETTS IRC 457 DEFERRED COMPENSATION PLAN CONSULTANT SERVICES

A. Basic Information

FIRM NAME: _____

ADDRESS: _____

TELEPHONE #: _____

FACSIMILE #: _____

E-MAIL ADDRESS: _____

CLIENT CONTACT: _____

SIGNATURE: _____

NAME (PRINT): _____

TITLE: _____

DATE: _____

B. Firm Overview

1. Please provide a brief history of the firm, including organizational structure and ownership.
2. Please provide a brief history of the experience of the consultants.
3. Is the firm, its parent or affiliate a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If not, what is the fiduciary classification? Please state whether the firm is or is not a fiduciary (as the term is defined by the Employee Retirement Income Security Act of 1974 [ERISA]).
4. Since 2001, has the firm, the Primary Consultant(s), or another officer or principal been involved in any business litigation, regulatory or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty relating to pension consulting activities? If so, please describe, provide an

explanation, and indicate the current status.

5. Please describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the firm carries. List the insurance carriers supplying the coverage.
6. Please describe any significant developments in the organization, which have occurred since June 30, 2004.
7. Describe the firm's compensation arrangements for senior management and Primary Consultant(s), including any incentive and bonus programs.

C. References

1. Please provide three (3) references that we may contact.

D. Independence of Judgment and Freedom from Conflicts of Interest

1. Does the firm or any affiliate serve as an investment manager for clients?
2. Does the firm or any affiliate act as a securities broker-dealer?
3. Does the firm accept soft dollars as a method of payment for services?
4. Does the firm have any potential conflicts of interest with the Massachusetts Deferred Compensation Plan?
5. List all investment management firms from which the firm or any of its affiliates has received any compensation since January 1, 2004.
6. If the firm or any affiliate provides investment management services, brokerage, or other services to investment managers, describes how conflicts of interest are managed, disclosed or prevented.

E. Experience & Knowledge

1. Please name and include a brief resume of the person(s) you propose to be Primary Consultant(s). Please state, which of the firm's offices would service this account.
2. Please identify all principals of the firm and designate which individuals, including research and systems support personnel, will be committed to the account. Include the length of experience in pension consulting services, any specialty expertise they possess, and the highest educational degree they have attained.

<u>Name</u>	<u>Title</u>	<u>Years at Firm</u>	<u>Consulting Experience</u>	<u>Education</u>
-------------	--------------	----------------------	------------------------------	------------------

3. Please provide biographical data on all the individuals listed above.
4. Please explain how the team dedicated to the account would function, including Primary Consultant(s), back-up, quality control, research, and support services.
5. Will the Primary Consultant(s) committed to the account consult for the Massachusetts

Deferred Compensation Plan exclusively? If not, how many client relationships will the Primary Consultant(s) have other than this account? What are the client/consultants and client/support personnel ratios for the firm?

6. Please list the Primary Consultant's current clients and engagements by asset size, type of client (e.g., public fund, corporate fund, endowment) and type of engagement (e.g., general consulting services, project-based service).
7. What is your assessment of the current investment manager roster?
8. What is the firm's competitive advantage in providing consulting services to the Plan?
9. Describe the Primary Consultant(s) expertise in advising clients in selecting and monitoring third party administrators.

F. Research Capabilities

1. Describe the internal structure and organization the firm's research department.
2. Describe the manner in which internal and external resources and sources of information are used in the research process. How does the firm integrate internal and external research?
3. Please describe the type and frequency of research that will be provided to the Plan. Does the firm provide research reports other than those specifically requested by the client? Please attach as an exhibit labeled SAMPLE RESEARCH REPORT to the Response.
4. Outline the firm's process and capabilities for monitoring and reporting of market trends.
5. Describe the firm's processes and sources of data for analyzing, monitoring and reporting the performance of the Plan's investment options.
6. Describe the firm's process for evaluating and selecting investment managers. Include how the firm evaluates a manager's personnel and organization, investment philosophy, investment style, products, research, risk controls and monitoring, assets under management, client services, fees and modeling capabilities. Also, how does the firm evaluate an investment management firm's financial condition, control environment and stability.
7. Describe the firm's process for monitoring investment managers. Relate the process to the client's goals, objectives, and investment philosophy. Include, the monitoring of performance, risk, style, contract compliance, account restrictions, reporting requirements, and trading efficiency.

G. Additional Information

Please provide the following sample reports as exhibits:

1. Investment Policy and Procedures Statement
2. Manager Oversight (Monitoring) Reports
3. Manager Search Analysis
4. Performance Attribution (please include a fixed income, international equity and domestic equity).

Attachment A – Fee Proposal

FIRM _____

Proposed Fees

1. Respondent must submit an annual fee for all services as described under "SCOPE OF SERVICES" in Section IV of this RFR.

All-Inclusive Flat Fee - Year 1 \$

All-Inclusive Flat Fee - Year 2 \$

All-Inclusive Flat Fee - Year 3 \$

TOTAL FEES (Years 1 -3) \$_____

Disclose all fee relationships with the Commonwealth's current managers and recordkeeper and complete the table below if applicable.

Manager/Recordkeeper	Service	Fee

Name of Firm

Date

Signature

Title

Attachment B

REPRESENTATIONS AND WARRANTIES

Compliance with all criteria listed below is mandatory in order for a bid to be accepted for further review. Lack of compliance will automatically disqualify the bidder. All respondents are required to submit an executed copy of the following Representations and Warranties.

Specifically describe how your firm meets each applicable criteria listed below. Please explain instances when not applicable:

1. Respondent warrants that it meets, or will meet before the award of the Contract, the bonding requirement provided by Section 412 of the Employment Retirement Income Security Act of 1974 (ERISA) or that it carries at least an equivalent fidelity bond that will be applicable to respondent's actions under that Contract. **(Provide a copy or proof of a fidelity bond indicating that all employees who perform work under the contract are covered, unless exempt, and an explanation of exemption is attached).**
2. Proposer warrants that it maintains an errors and omissions insurance policy providing a prudent amount of coverage for negligent acts or omissions and that such coverage will be applicable to proposer's actions under the Contract.
3. Proposer warrants that it will not delegate its fiduciary responsibilities assumed under the Contract.
4. A statement that the bidder meets all applicable state and federal requirements, and has all the licenses, registrations, filings, approvals, authorizations, consents or examinations required by a government or governmental authority to perform the Contract.
5. Solvency. Certification that the bidder has not been in bankruptcy and/or receivership within the last three calendar years.
6. Corporate Good Standing. If incorporated, identification of the bidder's state of incorporation and a statement that it is in good standing in that state, and, if the state of incorporation is not Massachusetts, a statement that the bidder has complied with all filing requirements of the Massachusetts Secretary of State.
7. Pending Litigation. Details of any pertinent judgment, criminal conviction, investigation or litigation pending against the bidder or any of its officers, directors, employees, agents, or subcontractors of which the bidder has knowledge or a statement that there are none. The Office of the State Treasurer and Receiver General reserves the right to reject a response based on this information.
8. Compliance with RFR Requirements. A statement that the bidder agrees to meet every specification, requirement, or condition set forth in the RFR. (This statement will not be deemed to encompass any requirement, specification, or condition for which the RFR indicates that a preference may or will be given by the Office of the State Treasurer and Receiver General. Only a bidder seeking the preference must meet any such requirement, specification, or condition.)
9. Cease and Desist. If selected for any services solicited through this RFR, the financial institution must agree to immediately notify the State Treasurers Office of any cease and desist order issued.
10. Confidentiality. All materials and information provided to the Contractor by the State or acquired by the Contractor on behalf of the State Treasurer's Office shall be regarded as confidential information in accordance with Federal and State law, and ethical standards. The contractor must take all necessary steps to safeguard the confidentiality of such materials or information.
11. Respondent warrants that it meets all of the minimum criteria applicable to the firm under this RFR as

follows (Specifically describe how your firm meets the applicable minimum qualifications specified below. If Not Applicable please explain):

- a. As of **December 31, 2008**, the firm must service clients with investment consulting services whose assets aggregate to at least \$50 billion.
- b. As of **December 31, 2008**, the primary consultant assigned to the Plan account (the "Primary Consultant") must have at least five (5) years combined experience in (i) serving as Primary Consultant to public and/or private pension plans; and/or (ii) serving as chief executive officer, executive director or chief investment officer of a public or private pension fund with assets of at least \$1 billion.
- c. Since 2004, the firm or its proposed consultants must have served as consultant in the preparation or revision of general investment policy guidelines for at least one private or public defined contribution client with assets of at least \$1 billion.
- d. The firm or its proposed consultants must maintain or have access to a database of domestic and international investment managers.

Name of Firm

Date

Signature

Title

Attachment C

COMMONWEALTH OF MASSACHUSETTS DISCLOSURE STATEMENT

FIRM: _____
ADDRESS: _____

Firms seeking to provide investment management or consulting services (the “engagement”) to the Commonwealth of Massachusetts must complete a disclosure statement providing complete and accurate responses to the questions below. Firms selected to provide investment management or consulting services to the Commonwealth have a continuing obligation to update responses to these questions, in writing, immediately upon any change to such responses. The questions in this Disclosure Statement should be read broadly, and any perceived ambiguity should be resolved in favor of disclosure. Any questions concerning the disclosures required should be directed to the Commonwealth.

1. Describe in detail your firm’s organizational structure, and identify any controlling stockholders, parents, subsidiaries, affiliates, partners, general partners, or principals (all such individuals or entities hereinafter collectively referred to as the “firm.”)
2. Identify any relationship of the firm, its joint ventures, consultants, lobbyists, subcontractors, agents, or placement agents that relate in any way to the engagement.
3. Aside from the engagement, describe any services provided by the firm to the Commonwealth.
4. Aside from the services described in response to Question 3, above, describe any services provided by the firm to the Office of the State Treasurer and Receiver General (“Treasury”) or any trust, board, commission or authority of which the State Treasurer and Receiver General (“Treasurer”) is a member or trustee. (A list of such entities is attached as Appendix B)
5. Aside from the services described in responses to Questions 3 and 4, above, describe any services provided by the firm to the Commonwealth of Massachusetts or any of its political subdivisions.
6. Did or will the firm provide or share, agree to provide or share, or arrange to provide or share any compensation or benefit, direct or indirect, to any individual or entity for assisting the firm in:
 - a) obtaining the engagement; or,
 - b) performing the services required by the engagement.

If the answer to Question 6 is “yes,” provide for each the individual or entity:

- a) the name and address of such individual or entity;
 - b) a description of the assistance provided; and
 - c) the compensation or benefit.
7. Does the firm have any ongoing relationship, arrangement or agreement with any individual or entity with respect to sharing compensation for services to:
 - a) PRIM;
 - b) any trust, board, commission, or authority of which the Treasurer is a member or trustee; or
 - c) the Commonwealth of Massachusetts or its political subdivisions.

If the answer to Question 7 is “yes,” provide for each such individual or entity:

- a) the name and address of such individual or entity;
- b) a description of the relationship, arrangement or agreement; and,
- c) the compensation shared.

Signed under the pains and penalties of this _____ day of _____, 2009.

Name: _____
(Print)

Signature: _____

Title: _____

Attachment D

Mandatory Attachment Checklist

(Complete and attach to the cover letter)

Firm Name: _____

1) Mandatory items as detailed in Section IV, subsection C.

(Check appropriate box to insure item is completed and submitted).

- | | |
|---|---|
| a) Cover Letter | Yes <input type="checkbox"/> (signed) |
| q) Executive Summary | Yes <input type="checkbox"/> (completed) |
| b) Questionnaire (Section VI) | Yes <input type="checkbox"/> (completed) |
| c) Fee Proposal (Attachment A) | Yes <input type="checkbox"/> (signed) |
| d) Reps/Warranties (Attachment B) | Yes <input type="checkbox"/> (signed) |
| e) Disclosure Statement (Attachment C) | Yes <input type="checkbox"/> (signed) |
| f) Commonwealth Terms & Conditions | Yes <input type="checkbox"/> (signed) |
| g) Standard Contract Form & Instructions | Yes <input type="checkbox"/> (signed) |
| h) Taxpayer Identification Number and Certification (W-9) | Yes <input type="checkbox"/> (signed) |
| i) Contractor Authorized Signature Verification Form | Yes <input type="checkbox"/> (signed) |
| j) Business Reference Form | Yes <input type="checkbox"/> (in addition to questionnaire info.) |
| k) Tax Compliance Certification Form | Yes <input type="checkbox"/> (certificate / proof of application) |
| l) Affirmative Market Program Plan Form (AMP) | Yes <input type="checkbox"/> (signed) |
| m) Consultant Contractor Mandatory Submission Form | Yes <input type="checkbox"/> (signed) |
| n) EFT Form | Yes <input type="checkbox"/> (completed/signed) |

Appendix A

DEFERRED COMPENSATION PLAN BACKGROUND INFORMATION

A. PLAN

The Commonwealth's 457 Plan is available to public employees in Massachusetts, including state employees, public school teachers, and employees of cities, towns, political subdivisions and instrumentalities.

The Commonwealth established its Deferred Compensation Plan (hereafter referred to as "the Plan") in 1976 as a non-qualified public employee benefit plan. The Plan is intended to comply with Section 457 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. The Plan currently has assets of approximately \$3.6 billion, with approximately 93,000 full-time participants and approximately 170,000 part-time ("OBRA") active participants, and is currently administered by Great-West Retirement Services ("Great West"). A copy of the Plan document will be provided to firms upon written request. Additional information about the Plan is available at www.mass-smart.com.

B. INVESTMENT OPTIONS

Participants in the Plan currently have the following investment options:

1. ASSET ALLOCATION FUNDS

- **SMART Path Retirement Funds***

SMART Path Retirement Funds are diversified asset allocation portfolios designed to adjust the asset mix over time to the allocation it deems appropriate as the retirement date for the fund gets closer, and continuing for 15 years after that date, the management team gradually adjusts the Fund to a more conservative asset mix. The objective is to achieve the highest total return over time consistent with the asset mix.

Vintage	US Large Cap Equity (SSgA S&P 500)	US Small Cap Equity (SSgA R2000)	Int'l Equity (SSgA EAFE)	REIT (Invesco REIT)	High Yield Bond (PIMCO High Yield)	US Int Dur Bond (SSgA Passive Bond)	TIPS (SSgA TIPS)	Cash (Vanguard Prime Money Mkt)	Total
SMARTPath 2050 Retirement Fund	47.00%	12.00%	26.00%	10.00%	5.00%	-	-	-	100.00%
SMARTPath 2045 Retirement Fund	47.00%	12.00%	26.00%	10.00%	5.00%	-	-	-	100.00%
SMARTPath 2040 Retirement Fund	47.00%	12.00%	26.00%	10.00%	5.00%	-	-	-	100.00%
SMARTPath 2035 Retirement Fund	47.00%	12.00%	26.00%	10.00%	5.00%	-	-	-	100.00%
SMARTPath 2030 Retirement Fund	44.50%	11.20%	23.50%	10.00%	6.70%	4.10%	-	-	100.00%
SMARTPath 2025 Retirement Fund	40.60%	10.20%	21.30%	10.00%	7.90%	10.00%	-	-	100.00%
SMARTPath 2020 Retirement Fund	36.60%	9.20%	19.30%	10.00%	8.00%	12.60%	4.30%	-	100.00%
SMARTPath 2015 Retirement Fund	32.60%	8.20%	17.30%	10.00%	8.00%	13.80%	10.10%	-	100.00%

SMARTPath 2010 Retirement Fund	28.60%	7.20%	15.30%	10.00%	8.00%	15.60%	15.30%	-	100.00%
SMARTPath 2005 Retirement Fund	23.30%	5.70%	12.50%	10.00%	6.30%	17.70%	16.00%	8.50%	100.00%
SMARTPath 2000 Retirement Fund	17.80%	4.20%	9.50%	10.00%	3.50%	20.50%	16.00%	18.50%	100.00%

2. CORE INVESTMENT OPTIONS

- Money Market Fund:
Vanguard Prime Money Market Fund Institutional Shares: Investment objective is to provide current income while maintaining liquidity and a stable share price of \$1.
- Stable Value Fund:
The Income Fund - The Income Fund is a diversified portfolio of stable value investment contracts negotiated by BlackRock Financial Management (“BlackRock”), Inc. with insurance companies to provide for payment at book value of participant withdrawals, transfers, and other allowable Plan benefit elections. The majority of Fund assets are invested in contracts containing high quality fixed income investments that are actively managed by BlackRock, Income Research and Management, and Wells Capital Management. **Mellon custodies assets for the Fund and provides a net NAV to the recordkeeper, daily.** The Income Fund seeks to provide a relatively high fixed income yield with little market-related risk. Of primary importance is the preservation of principal and earned interest. Secondary to the preservation of capital is the need to generate, over time, a composite yield in excess of short-term yields available in the fixed income marketplace.

The Omnibus Budget Reconciliation Act of 1990 (OBRA) requires that state employees who are not eligible to participate in the Commonwealth’s Defined Benefit Plan (such as part-time, seasonal or temporary employees, etc.) have a contribution option. Otherwise, these employees and the Commonwealth would be required to contribute to Social Security. The Income Fund fulfills this OBRA requirement and receives the 7.5% mandatory contributions of the Plan’s OBRA participants.
- Active Fixed Income:
PIMCO Total Return Fund Institutional Shares: Investment objective is to seek maximum total return, consistent with preservation of capital and prudent investment management. NAV provided to recordkeeper via NSCC.
- Passive Fixed Income:
State Street Passive Bond Market Index, Series A – Investment objective is to seek to match, before deduction of fees and expenses, the total return of the Lehman Aggregate Bond Index.
NAV provided to recordkeeper via Custodian.
- Active Large Cap Equity:
The Fidelity Fund
Investment objective is long term capital growth.
NAV provided to recordkeeper via NSCC
- Active Large Cap Equity:
T. Rowe Price Structured Research Common Trust
Investment objective is to outperform the S&P 500 Index
NAV provided to recordkeeper via fund’s custodian (BONY).

- Passive Large Cap Equity:
State Street S&P 500 Flagship Fund Series A
Investment objective is to match the total return performance of the S&P 500 Index.
NAV provided to recordkeeper via Custodian.
- Active Small Cap Equity:
Wellington Trust Company CIF II Small Cap Opportunities Portfolio
The objective of the portfolio is to provide long-term returns in excess of the Russell 2000 Index by investing in equity securities of high-quality small companies.
NAV provided to recordkeeper via Custodian.
- Passive Small Cap Equity:
State Street Russell 2000 Securities Lending Fund Series A
Investment objective is to match the total return performance of the Russell 2000 Index.
NAV provided to recordkeeper via Custodian.
- Active International Equity:
International Equity Fund
Investment objective is long term growth of capital and income through investments in a portfolio comprised primarily of equity securities of non-U.S. issuers and securities whose principal market is outside the U.S.
- Active High Yield Fund:
PIMCO High Yield Fund- Institutional
Seeks maximum total return consistent with preservation of capital and prudent investment management by investing in a diversified portfolio of high yield securities.
NAV provided to recordkeeper via NSCC.
- Passive Treasury Inflation Protected Securities
State Street Passive Treasury Inflation Protected Securities Strategy, Series A
Investment objective seeks to match the return of the Lehman Brothers Inflation Notes Index by investing in a portfolio of US Treasury inflation protected securities.
NAV provided to recordkeeper via Custodian.
- Passive International Equity:
State Street Daily EAFE Securities Lending Fund Series A
Investment objective is to match the total return performance of the (MSCI) EAFE Index.
NAV provided to recordkeeper via Custodian.

3. SPECIALTY STOCK

- Socially-Responsible:
KLD 400 Social Index
The portfolio seeks to provide long term total return that matches the performance of the Domini 400 Social Index, an index made up of the stocks of 400 companies selected using social and environmental criteria. The Index is composed primarily of large capitalization US companies.
NAV provided to recordkeeper via Custodian.
- Active Growth:
Fidelity Growth Company Fund
The portfolio seeks capital appreciation
NAV provided to recordkeeper via NSCC.
- Active Value:
Eaton Vance Large Cap Value Trust

The portfolio seeks to achieve long-term total return in excess of the Russell 1000 Value index by investing primarily in US securities undervalued relative to the benchmark index.
NAV provided to recordkeeper via fund's custodian

- Active REIT Fund:
INVESCO Equity Real Estate Securities Trust
Investment objective is to seek current income with long term-appreciation generally investing in REIT and other publicly traded stocks that derive a substantial portion of their revenues from the real estate industry.
NAV provided to recordkeeper via fund's custodian (Bisys).

4. SELF DIRECTED

- Mutual Fund Window:
Ameritrade – A self-directed brokerage window offered through Great West.

5. LIFE INSURANCE

Universal Life Insurance by Monumental Life Insurance Company (Aegon Insurance Group).
This option is closed to new participants.

C. TOTAL ASSETS (\$3.6B) BY INVESTMENT PRODUCT AS OF DECEMBER 31, 2008

(Amounts in thousands)	
The Income Fund (Stable Value)	\$1,134,611
Vanguard Prime Money Market Fund	37,643
PIMCO Total Return Fund	99,727
State Street Passive Bond Market Index	28,136
T. Rowe Price Structured Research Trust	509
Fidelity Fund	626,898
Fidelity ® Growth Company Fund	591,247
Eaton Vance Active Large Cap Value	79,088
State Street S&P 500 Flagship Fund Series A	152,538
Wellington Small Cap Equity Fund	315,822
State Street Russell 2000 Index Fund	34,336
State Street International Alpha (Non-U.S.)	138,372
State Street EAFE Fund	16,182
Aggressive Lifecycle Fund	17,517
Moderate Lifecycle Fund	208,668
Conservative Lifecycle Fund	12,354
Domini Social Investment Fund	20,026
HarrisDirect Account	36,396
INVESCO REIT Fund	52,118
PIMCO High Yield Fund	10,040
State Street TIPS Index	9,588

D. RECORDKEEPING, ADMINISTRATION, TRUST AND EDUCATION SERVICES.

Great-West Retirement Services is the third-party administrator (providing recordkeeping, administration, communication/education, and trust services) for the previously listed investment options.

The Universal Life investment option is issued and administered by Monumental Life Insurance Company with monthly feeds to Great-West for participant level information and service. The terminal funding annuity option is issued and administered by John Hancock with Great-West facilitating this option's participant education and application procedure. All other investment providers maintain records on an unallocated basis with the third-party administrator maintaining the individual participant records. Participants are allowed unlimited transfers of their funds between products without sales charge or other fees, except for those transfers from the Income Fund to the money market fund, which are subject to a six month equity wash, and those that contravene the Plan's market timing policy.

Great-West administers all facets of the employee communication/education program. A wide array of customized material is currently used including, but not limited to: Deferred Compensation Plan brochures, Plan information kit, quarterly newsletters, payroll stuffers, flyers, investment options guide, posters, model portfolio software, and a general library of retirement and financial education literature. Additionally, Great-West utilizes a team of licensed account executives, each assigned to and working from a specific geographic sector of the state, to conduct individual counseling sessions for enrolling and educating employees of the Commonwealth and participating local employers. Great-West also provides service via regional Investor Centers located around the state. Account executives are also used to conduct one-on-one benefit counseling sessions when employees retire or terminate employment. In addition to conducting group meetings, which provide an introduction to the Plan, account representatives additionally provide educational programs at a workplace to review various financial, tax, retirement and other planning topics and provide personal action steps for an individual to follow to meet personal retirement goals.

E. CURRENT ADVICE SERVICES

Great-West offers **Reality Investing** as a behavior-based approach to investing that provides investment advisory tools and services based upon the level of involvement the Participant desires when managing his or her investments. The Participant can choose as much or as little help as s/he needs. Reality Investing includes Online Investment Guidance, Online Investment Advice and a Managed Account service for personal and professional investment assistance and account management.

Appendix B

TREASURER’S PRINCIPAL BOARDS. COMMISSIONS AND AUTHORITIES*

1. Finance Advisory Board - M.G.L. c. 6, § 97-8
2. Advisory Board to the Comptroller - M.G.L. c. 7A, § 2
3. Investment Advisory Council - M.G.L. c. 10, § 5B
4. State Retirement Board - M.G.L. c. 10, § 18
5. State Lottery Commission - M.G.L. c. 10, § 23
6. Board of Bank Incorporation - M.G.L. c. 26, § 5
(Division of Banks and Loan Agencies)
7. Water Pollution Abatement Trust - M.G.L. c. 29C, §2
8. Pension Reserves Investment Management Board - M.G.L. c. 32, § 23(2A)
9. Massachusetts Convention Center Authority - Chapter 190 of the Acts of 1982 §31-48
10. Massachusetts School Building Authority – M.G.L. c. 70B, § 1; *see also* M.G.L. c. 10, § 35BB
11. Teachers’ Retirement Board – M.G.L. c. 15, § 16

* This list is not exhaustive.